humm group

2025 INTERIM REPORT

HUMM GROUP LIMITED

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

humm Group Limited
ABN 75 122 574 583

This report is based on the condensed consolidated financial statement for the half-year ended 31 December 2024 which have been reviewed by Ernst & Young.

ABOUT THIS REPORT.

This Interim Financial Report ("Half-year Report") of humm Group Limited ABN 75 122 574 583 (referred to hereafter as the "Group" or "**humm**group") has been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001* (Cth) and does not include all the notes of the type normally included in an annual financial report. **humm**group's most recent annual financial report is available at https://investors.humm-group.com/Investor-Centre/ as part of its 2024 Annual Report.

hummgroup has released information to the Australian Securities Exchange ("ASX") in compliance with the ASX Listing Rules. Announcements made by **humm**group under such rules are available at www.asx.com.au (**humm**group's ASX code is ASX:HUM).

The material in this Half-year Report has been prepared by **humm**group and is current at the date of this report. It is general background information about **humm**group and its subsidiaries' activities, is given in summary form in terms of the requirements of AASB134 Interim Financial Reporting and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered with professional advice when deciding if an investment is appropriate.

This Half-year Report was authorised for issue by **humm**group's Directors on 18 February 2025. The Board of Directors has the power to amend and reissue the Half-year Report.

hummgroup is a company limited by shares and incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1,
121 Harrington Street,
The Rocks NSW 2000
ABN 75 122 574 583

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INTERIM REPORT

The Directors present their Interim Operating and Financial Review on the consolidated entity consisting of humm Group Limited ABN 75 122 574 583 and the entities it controlled at the end of, or during, the half-year ended 31 December 2024 ("1H25"), which is designed to provide shareholders with a clear and concise overview of **humm**group's operations and financial position of the Group.

DIRECTORS

The following persons were Directors of humm Group Limited ABN 75 122 574 583 during the half-year and up to the date of this report unless otherwise stated:

Andrew Abercrombie
Teresa Fleming
Stuart Grimshaw
Robert Hines
Anthony Thomson (ceased 28 November 2024)
Andrew Darbyshire (appointed 21 October 2024)

COMPANY SECRETARIES

Christina Seppelt (ceased 31 December 2024)
Lisa-Anne Carey (ceased 31 January 2025)
Paris George (appointed 14 January 2025)

PRINCIPAL ACTIVITIES

hummgroup is a diversified financial services group providing lending, directly and through a network of merchants and brokers. These products include asset finance, credit cards, Point of Sale Payment Plans ("PosPP") and other finance solutions. **humm**group operates in Australia ("AU"), New Zealand("NZ"), Ireland, United Kingdom ("UK") and Canada.

Our principal activities are:

- Commercial Lending in Australia and New Zealand;
- Australia Cards (**humm**®90 and Lombard);
- New Zealand Cards (including Farmers Finance Card, Farmers Mastercard®, Q Card, Q Mastercard® and Flight Centre Mastercard®); and
- PosPP (a consolidation of **humm**® Australia, Canada, Ireland and UK)

CASH PROFIT (AFTER TAX)

Following the shutdown of suspended products, Cash profit (after tax) ("Cash profit"), calculated as Statutory profit (after tax) ("Statutory profit") adjusted for depreciation and amortisation expenses, impairment of other intangible assets and AASB9 provision movements on a post-tax basis, has been adopted as the key metric for measuring financial performance. Further, material infrequent items now form part of Cash profit and prior period results have been restated to ensure consistency and comparability.

UK OPERATIONS

Consistent with the announcement at the 2024 AGM, where the Board approved re-entry into the UK market, the UK operation now forms part of the principal activities of the Group.

REVIEW OF OPERATIONS

1. BASIS OF PREPARATION

The financial information presented in the tables that follow have been prepared in accordance with Australian Accounting Standards with Statutory profit representing the profit or loss for the period attributable to the shareholders of humm Group Limited. In addition to Statutory profit, Management and the Board also assess the business on a Cash profit basis.

Cash profit is calculated as Statutory profit, adjusted for depreciation and amortisation (incl. amortisation of acquired intangible assets) and AASB9 provision movements. While AASB9 accounting provisions are excluded from Cash profit, actual credit losses incurred in the period remain in the Cash profit result.

2. HEADLINE RESULTS

For the half-year ended 31 December 2024 (“1H25”), the Group reported a Cash profit[1] of $29.8m, up 119% on prior comparative period (“pcp”) and 34% up on the second half of FY24. The Statutory profit for the period of $27.3m was up $33.3m on pcp.

A$m	1H24	2H24	FY24	1H25	1H25 vs 1H24 Change %	1H25 vs 2H24 Change %
Interest income	254.8	276.2	531.0	285.3	12%	3%
Interest expense	(132.1)	(147.5)	(279.6)	(154.7)	17%	5%
Net interest income	**122.7**	**128.7**	**251.4**	**130.6**	**6%**	**1%**
Fee and other income	43.9	44.4	88.3	50.7	15%	14%
Cost of origination	(14.0)	(14.6)	(28.6)	(19.0)	36%	30%
Net operating income	**152.6**	**158.5**	**311.1**	**162.3**	**6%**	**2%**
Credit impairment charge	(48.0)	(48.0)	(96.0)	(33.8)	(30%)	(30%)
Operating expenses (incl. one off items)	(97.4)	(83.8)	(181.2)	(85.1)	(13%)	2%
Depreciation and amortisation expenses	(10.8)	(10.2)	(21.0)	(8.5)	(21%)	(17%)
(Impairment)/reversal of other intangibles	(5.2)	0.5	(4.7)	-	(100%)	(100%)
Statutory (loss)/profit before income tax	**(8.8)**	**17.0**	**8.2**	**34.9**	**497%**	**105%**
Income tax benefit/(expense)	2.8	(3.9)	(1.1)	(7.6)	(371%)	95%
Statutory (loss)/profit for the year	**(6.0)**	**13.1**	**7.1**	**27.3**	**555%**	**108%**
Non-cash items	19.6	9.2	28.8	2.5	(87%)	(73%)
Cash profit (after tax)[1]	**13.6**	**22.3**	**35.9**	**29.8**	**119%**	**34%**
Volume	**1,959.9**	**1,897.8**	**3,857.7**	**2,013.3**	**3%**	**6%**
Assets under management[2]	**4,650.8**	**5,017.3**	**5,017.3**	**5,323.7**	**14%**	**6%**

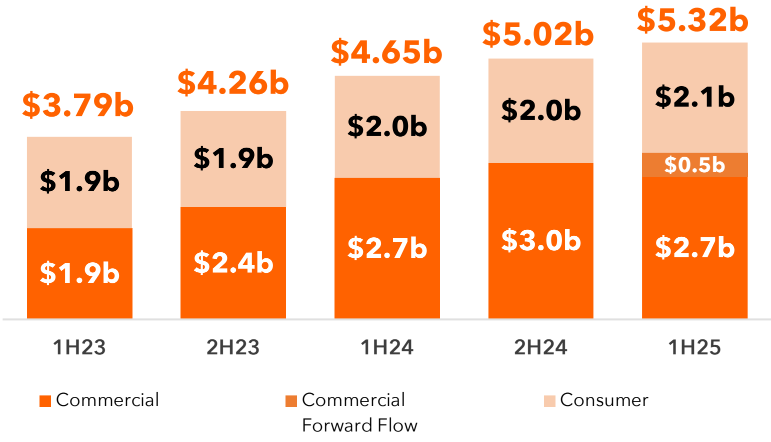
1. Cash profit (after tax) is calculated as Statutory profit (after tax) adjusted for depreciation and amortisation expenses, impairment of intangibles and AASB9 provision movement, with actual credit losses remaining in the result. FY24 result includes losses associated with suspended products.
2. Includes $0.5b of loans and receivables under Forward Flow arrangement, which is not included in **humm** balance sheet. Excludes other debtors, provision for impairment losses, contract liabilities and unamortised direct transaction costs.

3. STRONG PERFORMANCE HIGHLIGHTS ACROSS THE BUSINESS

Consistent and profitable growth

The Group continued to deliver growth across all key metrics with assets under management (representing on-balance sheet gross loans and advances and assets managed by the group under the Forward Flow agreement) of $5.3b, which grew by 14% on pcp and represents a 19% 2-year CAGR from 1H23 to 1H25. Volumes for continuing products were up 5% on pcp.

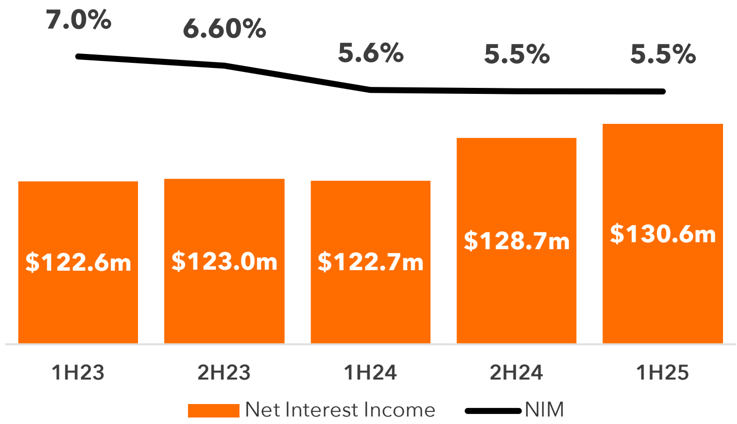
GROWTH IN ASSETS UNDER MANAGEMENT



NIM continues to stabilise

Net Interest Margin ("NIM") held constant at 5.5% for the 1H25. This followed periods of rapid rate rises that resulted in NIM compression across the non-bank lending market. Net interest income ("NII") grew 6% to $130.6m on pcp with Net operating income taking into account fees and cost of sales also increasing 6% on pcp.

NIM (%) AND NET INTEREST INCOME ($'M)



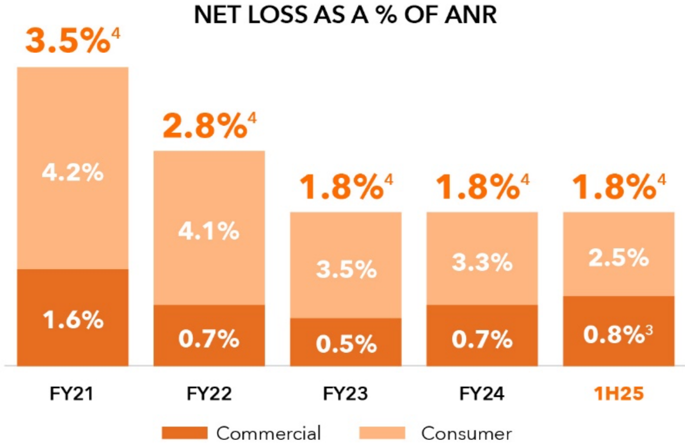
Net credit loss remaining at record lows

The rolling 12-month Net loss to Average Net Receivables ("ANR")[1] across the Group remained at historical lows of 1.8% (FY24: 1.8%).

Expected increases in Net loss to ANR[2] within the Commercial business as receivables seasoned were offset by lower losses across the Consumer portfolio, the result of deliberate changes to credit settings in the prior periods.

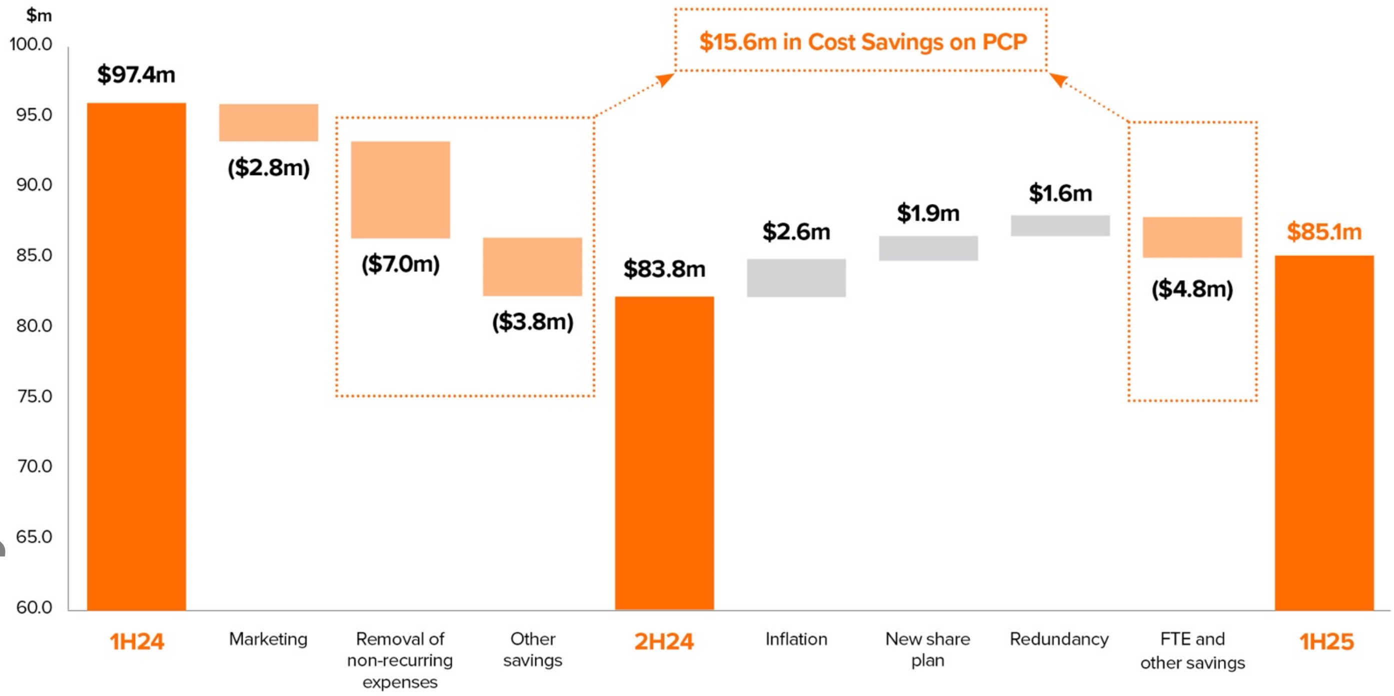
The stable Net credit losses during a period of growth evidence the credit quality, credit control processes and settings, and portfolio diversification of the business.

NET LOSS AS A % OF ANR



1. Average Net Receivables excludes assets under Forward Flow arrangement.
2. Net loss to ANR is calculated as Net credit losses as percentage of Average Net Receivables. Net loss to ANR excludes losses relating to suspended product in prior periods.
3. Rolling 12 months Net loss to ANR for the period of 0.8% is presented after adjusting for the impact of the Forward Flow arrangement. Before adjusting for the impact of the Forward Flow arrangement, 12 months Net loss to ANR for the period is 0.9%.
4. Weighted average Group Net Loss to ANR based on assets under management.

Cost management



The continued focus in the 1H25 cost management delivered $15.6m in cost savings (inflation-adjusted) from 1H24. This brings savings from inception of the program to a total of $36.6m.

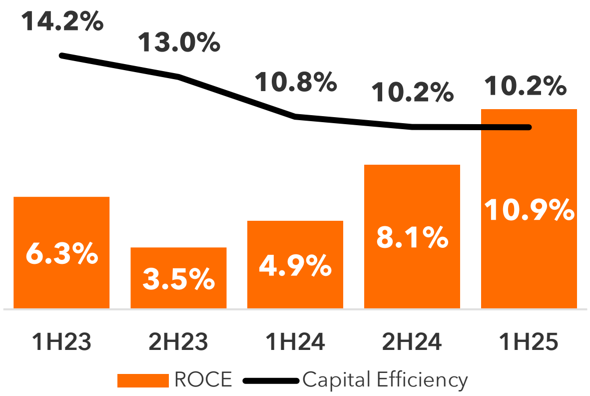
These savings offset $1.6m in redundancy payments and $1.9m of additional Long Term Incentive Plan ("LTIP") expense in FY25. The LTIP expense is forecasted to remain at elevated levels until 30 June 2026 which under the current LTIP plan results in higher expenses as the vesting date becomes nearer.

The savings contributed to a 13% reduction in operating expenses from $97.4m in 1H24 to $85.1m for the current period.

Strong and stable financial position supporting capital management activity

The Group continued to deliver strong growth in receivables from 1H24 of 14%, bringing assets under management to $5.3b as of 31 December 2024. The growth in receivables represents a 19% 2-year CAGR from 1H23 to 1H25. At balance sheet date, the Group had $5.5b of wholesale debt facilities, $0.9b of undrawn warehouse capacity, $0.5b of undrawn capacity under the Forward Flow arrangement and $113.6m of unrestricted cash.

On 30 December 2024, the Company repaid $25.0m of the principal balance of the Subordinated Perpetual Note ("P-Note") using capital released from the sale of $495.1m in assets under the Forward Flow program, boosting ROCE[1] for the period. The remaining balance of P-Note is expected to be repaid in the second half of the financial year.



Interim dividend of 1.25 cents per share

Subsequent to the half-year, on 18 February 2025, the Group determined an interim dividend of 1.25 cents per ordinary share totalling $6.1m, which is to be paid on 2 April 2025. The 1H25 dividend represents a 67% increase to the interim dividend paid win 1H24.

1. ROCE is calculated as Cash profit (after tax) in the year divided by average total cash equity (total equity exclude reserves).

4. KEY PERFORMANCE METRICS

Transaction Volume

Half-year periods ending December and June

A$m	1H24	2H24	1H25	1H25 vs 1H24 Change %	1H25 vs 2H24 Change %
Continuing products	1,909.0	1,890.0	2,013.3	5%	7%
Suspended products[1]	50.9	7.8	–	(100%)	(100%)
Total volumes	**1,959.9**	**1,897.8**	**2,013.3**	**3%**	**6%**

1. Suspended products include **bundll®**, **humm** UK, BPAY and 'Little Things' (within PosPP – **humm** AU), **humm** NZ and **humm®**pro.

New business volumes for continuing products increased 5% on pcp contributing to a 14% increase in assets under management of $5.3b at 31 December 2024.

Volumes for Commercial increased by 1% to $770.4m compared to 1H24, gaining market share with our core brokers and dealer groups. This was a solid result in the tougher asset-backed SME lending environment with the business growing market share at our key brokers and aggregators and recognises the strength of the **flexicommercial**® team, its broker relationships, origination and settlement capabilities, and funding model.

$1,242.9m in volumes for Consumer continuing products were 8% higher than the $1,147.6m for 1H24. This increase was driven by 6% higher volumes for **humm** AU and 57% volume increase for the global PosPP businesses, albeit off a small but growing base.

$447.8m in volumes for New Zealand Cards business were 4% higher than 1H24, and more than offset the 1% reduction in $250.4m volumes for the Cards AU business. Cards NZ saw strong growth particularly in the latter half of 1H25, with December being a record month for total volumes at $90.0m. These higher volumes will revolve into interest bearing receivables in 2H25.The business in Australia is rebuilding its customer value proposition, dependent on the implementation of a new Card Management System which is planned to commence in 2H25.

Assets under management

Half-year periods ending December and June

A$m	1H24	2H24	1H25	1H25 vs 1H24 Change %	1H25 vs 2H24 Change %
Gross loans and advances (on balance sheet)[1]	4,650.8	5,017.3	4,857.8	4%	(3%)
Assets management under the Forward Flow arrangement	–	–	465.9	N/A	N/A
Assets under management	**4,650.8**	**5,017.3**	**5,323.7**	**14%**	**6%**

1. Excludes other debtors, provision for impairment losses, contract liabilities and unamortised direct transaction costs.

Assets under management comprise gross loans and advances and assets managed under the Forward Flow program. Assets under the Forward Flow program represent loans and advances that **flexicommercial** originated through its existing broker network and continues to credit assess, service and collect via its existing service and operations teams, on behalf of investors in the Forward Flow program.

Commercial assets under management grew 18% to $3,178.4m compared to pcp as the business originated in excess of $770m in new volumes for 1H25. This was a strong result in light of tougher SME market conditions which have seen **flexicommercial** grow its market share by the strategic decision to target premium assets as it diversifies its product and regional offerings.

PosPP loans and advances grew 25% to $1,102.7m compared to pcp, driven by 6% higher volumes for **humm** AU and 57% higher volumes for **humm** Ireland and **humm** Canada. This growth has been delivered with improved gross yields and lower loss rates.

Loans and receivables for Cards NZ were 3% up on 1H24 to $633.5m which was the result of 16% higher volumes being partially offset by higher repayments. The growth in Cards NZ offsets the 3% decline in loans and advances for Cards AU of $20.0m to $409.1m, which benefited from higher headline interest rates and lower net credit loss rates.

Net Interest Income

Half-year periods ending December and June

	1H24	2H24	1H25	1H25 vs 1H24 Change %	1H25 vs 2H24 Change %
Interest income	254.8	276.2	285.3	12%	3%
Interest expense	(132.1)	(147.5)	(154.7)	17%	5%
Net interest income	**122.7**	**128.7**	**130.6**	**6%**	**1%**
Fee and other income	43.9	44.4	50.7	15%	14%
Cost of origination	(14.0)	(14.6)	(19.0)	36%	30%
Net operating income	**152.6**	**158.5**	**162.3**	**6%**	**2%**

Average net receivables ("ANR")	4,413.3	4,595.2	4,757.6	8%	4%
Gross yield[1]	**11.5%**	**12.0%**	**12.0%**	**50bps**	**Nil**
Net Interest Margin[2]	**5.6%**	**5.5%**	**5.5%**	**(10bps)**	**Nil**

1. Gross yield is calculated by interest income divided by Average Net Receivables.
2. Net Interest Margin is calculated by Net interest income divided by Average Net Receivables.

NIM of 5.5% for 1H25 was in line with portfolio NIM at 30 June 2024 and consistent with the exit NIM at this date. Exit NIM at 31 December 2024 of 5.4% was 10bps lower, as the result of **flexicommercial**'s deliberate strategy to grow its portfolio and target premium assets which have a lower NIM with expected lower credit losses to be delivered in later periods.

At a group level, net interest income increased by 6% compared to pcp and was 1% higher than the result for 2H24. NII at the group level was impacted by the run-off of favourable hedges in the prior period relating to the Cards AU and NZ businesses. Additionally, deliberate tightening of credit settings in the Cards AU business, resulted in lower Net interest income and lower Credit impairment charges compared to 2H24.

Net interest income for **flexicommercial** grew by 13% to $51.2m compared to pcp. In **flexicommercial**, Net interest income was impacted by the Forward Flow arrangement which replaces "Net interest income" with "Fee and other income" while releasing capital, reducing net credit losses in future periods as **flexicommercial** is no longer directly impacted by these losses and reducing AASB9 provisions. Net operating income which includes fee and other income offset by cost of origination for **flexicommercial** grew by 20% over the pcp and by 10% over 2H24, reflecting higher fee and other income from early contract repayments and the higher fee and other income under the Forward Flow arrangement.

Gross yield increased by 50bps to 12% compared to pcp due to pricing initiatives across the Consumer business from higher merchant rates in the PosPP business, growth in the offshore consumer businesses, which have higher gross yields, and increases to interest rates on AU and NZ Credit Card products.

Credit impairment charge ($m)

Half-year periods ending December and June

A$m	1H24	2H24	1H25	1H25 vs 1H24 Change %	1H25 vs 2H24 Change %
Net credit losses	37.2	44.2	39.2	5%	(11%)
Movement in AASB9 provision	10.8	3.8	(5.4)	(150%)	(242%)
Credit impairment charge	**48.0**	**48.0**	**33.8**	**(30%)**	**(30%)**
Net loss to ANR[1]	**1.7%**	**1.8%**	**1.8%**	**10bps**	**Nil**

Credit impairment charges, which include the movement in AASB9 provisions, decreased 30% to $33.8m. This result benefitted from $7.9m in lower AASB9 provisions following the sale of $495.1m in assets under the Forward Flow arrangement, which has been partially offset by higher provisions on new volumes in the Commercial and Consumer businesses.

Rolling 12-month net credit loss to ANR has remained flat at 1.8% for the period.

Commercial Net loss to ANR ratio increased by 10bps from 0.7% to 0.8%[2] in line with the normal credit cycle and represents the seasoning of losses on growth within the portfolio. Consumer Net loss to ANR decreased by 80bps from 3.3% at 30 June 2024 to 2.5% for 1H25, the result of tighter credit settings implemented by management at the end of the FY23.

1. Net loss to ANR is calculated as Net credit losses as percentage of Average Net Receivables. Net loss to ANR represents continuing products, excludes losses relating to suspended product in prior periods.
2. Rolling 12 months Net loss to ANR for the period of 0.8% is presented after adjusting for the impact of the Forward Flow arrangement. Before adjusting for the impact of the Forward Flow arrangement, 12 months Net loss to ANR for the period is 0.9%.

Operating Expenses ($m)[1]

Half-year periods ending December and June

A$m	1H24	2H24	1H25	1H25 vs 1H24 Change %	1H25 vs 2H24 Change %
Statutory operating expenses	**97.4**	**83.8**	**85.1**	**(13%)**	**2%**

1. Statutory operating expenses exclude depreciation and amortisation expenses.

Operating expenses for the period decreased by 13% compared to pcp. The reduction in costs was driven by lower one-off items ($7.0m), lower marketing expenses ($2.8m), lower net headcount expenses ($2.0m), and reduction of other expenses, totalling $15.6m on an inflation adjusted basis.

Cost to Income Ratio (CTI)[1]

Half-year periods ending December and June

A$m	1H24	2H24	1H25	1H25 vs 1H24 Change %	1H25 vs 2H24 Change %
Cost to income ratio	64.0%	53.0%	52.4%	(1160bps)	(60bps)

1. Cost to income is calculated on a Cash Profit basis by dividing total costs by Net Operating Income ("NOI").

The continued focus on cost management, delivered a $12.3m lower cost base in 1H25 compared to 1H24. This included a lower cost Consumer business, and cost reductions in technology with a simplification of the environment and reduction in vendor and people costs. This has resulted in a cost to income ratio of 52.4% as the Group continues to target a sub 50% CTI ratio.

Return on Cash Equity ("ROCE")[1]

Half-year to 31 December

Percent	1H24	2H24	1H25	1H25 vs 1H24 Change %	1H25 vs 2H24 Change %
Annualised ROCE	4.9%[2]	8.1%[2]	10.9%	600bps	280bps

1. ROCE is calculated as Cash profit (after tax) in the year divided by average total cash equity (Total Equity excl Reserves).
2. These metrics have been recalculated using Cash profit (after tax) versus Normalised cash profit (after tax used in the prior period).

ROCE improved by 122% or 600bps compared to pcp reflecting the improvement in Cash profit for the year from $13.6m in 1H24 to $29.8m in 1H25 and the positive impact of the partial buy back of the Perpetual Note on 30 December 2024.

Earnings Per Share

Cents per share	1H24	2H24	1H25	1H25 vs 1H24 Change %	1H25 vs 2H24 Change %
Annualised cash earnings per share[1]	4.9	8.1	11.0	124%	36%

1. It is calculated as Cash profit (after tax) as percentage of weighted average total number of shares (comprising Ordinary Share and Preference Shares under the Perpetual note) on issue for the period. FY24 metric, previously calculated using Normalised cash profit (after tax), has been recalculated using Cash profit (after tax).

Dividends on Ordinary Shares

	1H24		1H25	
	Cents	$m	Cents	$m
Interim dividend	0.75	3.8	1.25	6.1

5. SEGMENT PERFORMANCE

The Directors have identified four reportable segments:

- Commercial (consisting of Australia and New Zealand Commercial lending business);
- PosPP (a consolidation of **humm** AU, Canada, Ireland and UK).
- New Zealand Cards (including Farmers Finance Card, Farmers Mastercard, Q Card, Q Mastercard and Flight Centre Mastercard); and
- Australia Cards **humm**90 and Lombard.

SEGMENT ANALYSIS

Commercial

A$m	1H24	2H24	1H25	1H25 vs 1H24 Change %	1H25 vs 2H24 Change %
Net interest income	**45.2**	**48.6**	**51.2**	**13%**	**5%**
Net operating income	**54.5**	**59.4**	**65.3**	**20%**	**10%**
Net credit losses	(6.5)	(12.0)	(13.9)	114%	16%
Operating expenses (incl. one off items)	(20.7)	(17.4)	(17.5)	(15%)	1%
Income tax (expense)	(7.6)	(8.8)	(7.4)	(3%)	(16%)
Cash profit (after tax)	**19.7**	**21.2**	**26.5**	**35%**	**25%**
Volume	**761.5**	**772.9**	**770.4**	**1%**	**(0%)**
Assets under management[1]	**2,702.2**	**2,987.7**	**3,178.4**	**18%**	**6%**

Commercial delivered a Cash profit of $26.5m in 1H25, up $6.8m or 35% on the pcp.

The performance of Commercial demonstrates the overall strength and resilience of the business, which is reflected in the growth of receivables over recent years.

The 1H25 performance is attributable to:

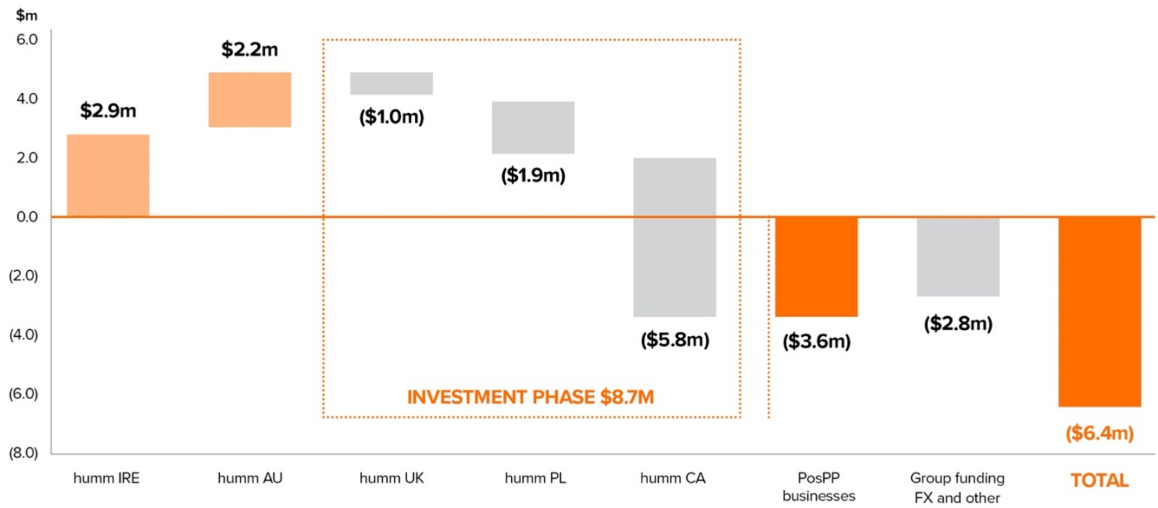
- Net interest income increasing by 13% (or $6.0m) from $45.2m in 1H24 to $51.2m. This growth was driven by 10% portfolio growth (after adjusting for the Forward Flow program). Gross yields increased 60bps to 10.3% from 9.7% in the pcp with a 40bps increase in cost of funds delivering a 20bps improvement to portfolio NIM to 3.7%.
- 14% growth in Interest income from $123.5m in 1H24 to $140.7m in 1H25 was matched by a similar growth in interest expense from $78.3m in 1H24 to $89.5m in 1H25. Interest income and interest expense grew at the same proportionate due to an 80bps increase in capital efficiency which resulted in higher interest expense but improved return on equity from lower capital being required to fund gross loans and receivables.
- Fee and other income benefitted from higher revenue from early contract terminations as customers actively refinanced their asset portfolios under the higher interest rate environment.
- Net credit losses of $13.9m in the current period were $1.9m up on 2H24. Rolling 12 months Net credit losses as a percentage of ANR increased by 10bps to 0.8%[2] in the current period. The 10bps increase is in line with management expectations following periods of high volume and receivables growth.
- Operating expenses of $17.5m for the period were 15% lower than the same period in the prior year. This was primarily the result of lower costs following the restructure of the New Zealand business.

1. Includes $0.5b of loans and receivables under Forward Flow arrangement, which is not part of **humm** balance sheet.
2. Rolling 12 months Net loss to ANR for the period of 0.8% is presented after adjusting for the impact of the Forward Flow arrangement. Before adjusting for the impact of the Forward Flow arrangement, 12 months Net loss to ANR for the period is 0.9%.

PosPP[1]

A$m	1H24	2H24	1H25	1H25 vs 1H24 Change %	1H25 vs 2H24 Change %
Net interest income	**23.5**	**27.4**	**27.3**	**16%**	**(0%)**
Net operating income	**32.7**	**36.3**	**36.5**	**12%**	**1%**
Net credit losses	(13.4)	(12.6)	(9.9)	(26%)	(21%)
Operating expenses (incl. one off items)	(43.3)	(36.2)	(34.9)	(19%)	(4%)
Income tax benefit	7.5	4.9	1.9	(75%)	(61%)
Cash loss (after tax)[1]	**(16.5)**	**(7.6)**	**(6.4)**	**61%**	**16%**
Volume	**512.4**	**497.6**	**544.7**	**6%**	**9%**
Closing loans and advances	**885.0**	**997.4**	**1,102.7**	**25%**	**11%**

1. FY24 result includes losses associated with suspended products.



1H25 performance is attributable to:

- Net interest income ("NII") of $27.3m for 1H25 was up 16% on pcp and in line with 2H24. The increase in NII is consistent with the 25% growth in closing loans and advances balances. The 20% increase in interest income is consistent with the 25% increase in loans and advances balances which is expected to continue to drive growth in interest income as the full year impact flows into the results.

  NIM stabilising compared to 1H24 as interest income increased by 20% offset by a 24% increase in interest expenses as the Company increased capital efficiency with an extension of the Ireland facility at reduced credit spread to allow for growth of the **humm** UK business.

- Net credit loss was down $3.5m on the pcp with Net loss to ANR ratio improving 90bps from 3.1% in 1H24 to 2.2% in 1H25. This improvement was predominantly driven by **humm** AU and is a direct result of deliberately tighter credit settings and continued improvements in collections processes by management. Net loss to ANR improved 70bps on 2H24 following a $2.7m reduction in net credit losses over the first half.
- Operating expenses, which includes costs relating to suspended products, were down 19% on the pcp as the businesses focused on cost management and the removal of final costs in relation to suspended products.
- Volumes from continuing products grew 18% compared to pcp and 11% over 2H24 driving a 25% increase in closing loans and advances of $1,102.7m at 31 December 2024 versus $885.0m at 31 December 2023. We achieved higher volumes from longer term products within the solar, home improvement and health verticals.
- The launch of **humm**'s hybrid loan product within **humm** AU later in the year, will provide an opportunity to expand tailored merchant specific offerings, open new channels and create greater channel partners opportunities, while improving return metrics, delivering increased profitability for the Consumer business.

Cards NZ

A$m	1H24	2H24	1H25	1H25 vs 1H24 Change %	1H25 vs 2H24 Change %
Net interest income	**33.8**	**34.3**	**34.8**	**3%**	**1%**
Net operating income	**37.3**	**37.7**	**37.4**	**0%**	**(1%)**
Net credit losses	(8.6)	(11.3)	(9.7)	13%	(14%)
Operating expenses (incl. one off items)	(18.4)	(15.1)	(18.2)	(1%)	21%
Income tax benefit	(2.8)	(3.5)	(2.1)	(25%)	(40%)
Cash profit (after tax)	**7.5**	**7.8**	**7.4**	**(1%)**	**(5%)**
Volume	**432.0**	**385.8**	**447.8**	**4%**	**16%**
Closing loans and advances	**634.5**	**612.2**	**633.5**	**(0%)**	**3%**

Cards NZ delivered a Cash profit of $7.4m in 1H25, down 1% on the pcp. While slightly lower than pcp, this was a pleasing result with record volumes in November and December, higher interest income and lower operating costs nearly all but offsetting the increase to interest expense.

1H25 performance is attributable to:

- 20bps improvement in NIM from 11.2% in 1H24 to 11.4% in 1H25. Whilst an improved result, it was negatively impacted by the run-off of favourable hedges in the second half of the FY24 year with the full impact of the higher rates being felt in 1H25.
- 8% growth in interest income for 1H25 was the result of improved customer pricing and volume growth (primarily in core Q Card products). 1H25 interest income benefitted from the full impact of pricing initiatives made in January 2024 and August 2024.
- Interest expense increase of 17% on pcp was due to credit spread, greater capital efficiency and the run-off of favourable hedges.
- Net credit losses as a percentage of ANR of 3.4% were up 50 bps on the pcp but only 10bps up on the 2H24. Net credit losses were down 14% or $1.6m from 2H24.
- 1H25 operating expenses of $18.2m were down $0.2m on 1H24. The $3.1m increase in costs compared to 2H24 relates to marketing spend, that is seasonal in nature and will deliver benefits in future periods as spend volume translates to receivables and then revolves into interest bearing balances.
- Closing loans and advances were 3% higher on the balances at 30 June 2024, resulting in higher interest-bearing balances and higher interest income.

Cards AU

A$m	1H24	2H24	1H25	1H25 vs 1H24 Change %	1H25 vs 2H24 Change %
Net interest income	**20.2**	**18.4**	**17.3**	**(14%)**	**(6%)**
Net operating income	**28.1**	**25.1**	**23.1**	**(18%)**	**(8%)**
Net credit losses	(8.7)	(8.3)	(5.7)	(34%)	(31%)
Operating expenses (incl. one off items)	(15.0)	(15.1)	(14.5)	(3%)	(4%)
Income tax (expenses)	(1.5)	(0.8)	(0.6)	(60%)	(25%)
Cash profit (after tax)	**2.9**	**0.9**	**2.3**	**(21%)**	**156%**
Volume	**254.0**	**241.5**	**250.4**	**(1%)**	**4%**
Closing loans and advances	**429.1**	**420.0**	**409.1**	**(5%)**	**(3%)**

Cards AU delivered a Cash profit of $2.3m, which was down $0.6m or 21% on the pcp. Importantly, the result is up $1.4m or 156% on 2H24.

Management slowed growth on the Cards AU platform via lower marketing spend and made changes to credit settings while the rebuild of the Cards AU business takes effect. The change to credit settings, while reducing customer numbers and delivering lower fee and other income, resulted in a 54% reduction in 1H25 credit impairment charges compared to the same time last year.

The 1H25 performance is attributable to:

- 14% lower Net interest income resulting in a $2.9m reduction in NII to $17.3m for the current period. This result was in part driven by the run-off of favourable hedges in the prior year with the full impact of higher interest costs being felt in the current period together with 250bps higher capital efficiency, which increases interest expense.
- 2% lower interest income was the result of lower average net receivables balances which were partially offset by 50bps higher gross yields over pcp from improved customer rate pricing in the prior year and higher revolve rates.
- Net credit losses of $5.7m were 34% (or $3.0m) lower than pcp and drove a reduction in net credit loss as a percentage of ANR of 50bps from 4.0% during 2024, to 3.5% in the current period.
- Closing loans and advances were 5% lower compared to the same period last year, albeit with higher percentage of interest-bearing balances.

6. FUNDING AND CAPITAL

hummgroup maintains a well-established, mature funding platform designed to support the Group's growth and capital strategy. **humm**group's funding strategy is focused on building and maintaining a committed, capital efficient and cost-effective suite of funding facilities that supports product growth and further strengthens **humm**group's debt capital markets presence through regular issuance.

The Group accesses funding from and through a wide group of large local and international banks and wholesale fund managers across the capital structure for its various warehouse funding programs. **humm**group is supported by a large number of domestic and offshore institutional investors through its well-established asset-backed securities ("ABS") programs in Australia and New Zealand.

During the period, the Group established a $1.0b Forward Flow program with the initial sale of $495.1m of commercial loans. In addition, an existing private placement was topped up with additional borrowing of $250.0m supporting continued growth in the portfolio managed by the Commercial business. In the Consumer businesses, the Group issued a $121.2m of additional notes under an existing private placement to support its Australian **humm** AU portfolio of solar receivables and publicly issued NZ $176.0m of notes under the New Zealand Cards master trust program. Further, on 30 December 2024 the Group repaid $25.0m of Perpetual Notes.

At balance sheet date, the Group had $5.5b of wholesale debt facilities funding assets, with $0.9b of undrawn facilities and a further $0.5b undrawn capacity under the Forward Flow program. The wholesale debt facilities include both public and private debt facilities which are secured against underlying pools of loans and advances including chattel loans, customer loans, and finance lease receivables.

All facilities provide for the ultimate repayment of outstanding debt through collections received in respect of the relevant loans and advances. In some cases, the Group's wholesale debt facilities are structured to include a revolving period during which time committed limits can be continually drawn and collections can be used to fund originations of new loans and advances, ahead of repayment of outstanding borrowings. The balance of facilities provides for repayment of outstanding borrowings in line with repayment of the underlying loans and advances.

The Group continues to optimise its capital structure to maximise shareholder value with prudent management of liquidity and funding facilities, complemented by opportunistically accessing debt capital markets to increase funding capacity across its wholesale debt facilities whilst lowering funding costs.

As of 31 December 2024, the Group had $62.3m outstanding under the corporate debt facility, including $2.3m of accrued interest capitalised.

DIRECTORS' REPORT

Dividends on Ordinary Shares

	31 December 2024		31 December 2023	
A$m	**Cents per share**	**$m**	**Cents per share**	**$m**
2023 final dividend paid on 9 October 2023	–	–	1.0	5.1
2024 final dividend paid on 3 October 2024	1.25	6.2	–	–
Total dividends paid during the half-year	**1.25**	**6.2**	**1.0**	**5.1**

Subsequent to the half-year, on 18 February 2025, the Group determined an interim dividend of 1.25 cents per ordinary share totaling $6.1m, which will be paid on 2 April 2025.

REVIEW OF OPERATIONS

We have provided on pages 4-15 above, Review of Operations, an update on the key performance measures and financial position of the Group for the period ended 31 December 2024.

MATTERS SUBSEQUENT TO END OF THE HALF-YEAR

Dividends are determined after period-end and contained within the announcement of the results for the period. Interim dividends are determined in February and paid in April. Final dividends are determined in August and paid in September. Dividends determined are not recorded as a liability at the end of the period to which they relate. Subsequent to the half-year, on 18 February 2025, the Group determined an interim ordinary dividend of 1.25 cents per share totalling $6.1m, which will be paid on 2 April 2025.

Apart from the matters above as at the date of this report the directors are not aware of any other matter or circumstance that has arisen since 31 December 2024 that has significantly affected, or may significantly affect:

a) the Group's operations in future financial years, or
b) the results of those operations in future financial years, or
c) the Group's state of affairs in future financial years.

ENVIRONMENTAL REGULATION

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 17.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the "rounding off" of amounts in the Directors' Report and the Interim Financial Report. Amounts in the Directors' Report and the Interim Financial Report have been rounded in accordance with that Instrument to the nearest hundred thousand dollars.

This report is made in accordance with a resolution of Directors.

Andrew Abercrombie
Chairperson
18 February 2025

AUDITOR’S INDEPENDENCE DECLARATION

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Shape the future
with confidence

Auditor’s Independence Declaration to the directors of humm group limited

As lead auditor for the review of the half-year financial report of humm group limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b) No contraventions of any applicable code of professional conduct in relation to the review; and

c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of humm group limited and the entities it controlled during the financial period.

Ernst & Young

Richard Balfour
Partner
18 February 2025

GROUP CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2024

A$m	Notes	31 Dec 24	31 Dec 23
Interest income		285.3	254.8
Fee and other income	3	50.7	43.9
Gross income		**336.0**	**298.7**
Cost of origination		(19.0)	(14.0)
Interest expense		(154.7)	(132.1)
Net operating income		**162.3**	**152.6**
Credit impairment charge		(33.8)	(48.0)
Marketing expenses		(5.1)	(6.8)
Employment expenses		(47.7)	(45.7)
Operating and other expenses	4	(32.3)	(44.9)
Depreciation and amortisation expenses		(8.5)	(10.8)
Impairment of intangibles and right-of-use assets	6	–	(5.2)
Profit/(loss) before income tax		**34.9**	**(8.8)**
Income tax (expense)/benefit		(7.6)	2.8
Profit/(loss) for the half-year attributable to shareholders of humm Group Limited		**27.3**	**(6.0)**
Other comprehensive loss			
Items that may be reclassified to profit and loss:			
Exchange differences on translation of foreign operations		1.5	0.9
Changes in the fair value of cash flow hedges, net of tax		(28.6)	(35.3)
Items that will not be reclassified to profit and loss:			
Changes in fair value of equity investments at fair value through other comprehensive income		0.4	–
Other comprehensive loss for the half-year, net of tax		**(26.7)**	**(34.4)**
Total comprehensive income/(loss) for the half-year attributable to shareholders of humm Group Limited		**0.6**	**(40.4)**

Earnings per share		**Cents**	**Cents**
Basic earnings per share		4.3	(1.7)
Diluted earnings per share		4.3	(1.7)

The above Consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

A$m	Notes	31 Dec 24	30 Jun 24
Assets			
Unrestricted cash		113.6	125.1
Restricted cash		185.5	156.1
Loans and advances	5	4,740.4	4,894.5
Other assets		23.7	22.8
Plant and equipment		2.0	2.3
Right-of-use assets		5.4	6.8
Goodwill and other intangible assets	6	134.7	131.6
Derivative financial instruments		6.3	30.9
Deferred tax assets		53.6	46.1
Total assets		**5,265.2**	**5,416.2**
Liabilities			
Trade and other payables		49.0	60.0
Current tax liabilities		3.6	2.6
Contract liabilities		10.0	12.0
Lease liabilities		8.8	10.5
Borrowings	11	4,590.5	4,707.8
Provisions		41.6	44.4
Derivative financial instruments		15.9	-
Total liabilities		**4,719.4**	**4,837.3**
Net assets		**545.8**	**578.9**
Equity			
Contributed equity	8	475.0	499.1
Reserves		6.2	30.0
Retained earnings		64.6	49.8
Total equity		**545.8**	**578.9**

The above Consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2024

2025

A$m	Contributed equity	Reserves	Retained earnings	Total
Balance at the beginning of the half-year	**499.1**	**30.0**	**49.8**	**578.9**
Profit for the half-year	–	–	27.3	27.3
Other comprehensive loss	–	(26.7)	–	(26.7)
Total comprehensive (loss)/income for the half-year	–	**(26.7)**	**27.3**	**0.6**
Transfer to share capital from share-based payment reserve for treasury shares	0.6	(0.6)	–	–
Share based payment expense (net of tax)	–	3.5	–	3.5
Dividend reinvestment plan	0.3	–	(0.3)	–
Dividends provided for or paid	–	–	(12.2)	(12.2)
Repayment of perpetual note	(25.0)	–	–	(25.0)
Balance at the end of the half-year	**475.0**	**6.2**	**64.6**	**545.8**

2024

A$m	Contributed equity	Reserves	Retained earnings	Total
Balance at the beginning of the half-year	**511.8**	**55.4**	**58.9**	**626.1**
Profit for the half-year	–	–	(6.0)	(6.0)
Other comprehensive loss	–	(34.4)	–	(34.4)
Total comprehensive (loss)/income for the half-year	**-**	**(34.4)**	**(6.0)**	**(40.4)**
Transfer to share capital from share-based payment reserve for treasury shares	0.2	(0.2)	–	–
Purchase of treasury shares	(2.7)	–	–	(2.7)
Share based payment expense (net of tax)	–	1.6	–	1.6
Dividend reinvestment plan	1.8	–	(1.8)	–
Dividends provided for or paid	–	–	(7.0)	(7.0)
Shares buy back	(3.0)	–	–	(3.0)
Balance at the end of the half-year	**508.1**	**22.4**	**44.1**	**574.6**

The above Consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2024

A$m	31 Dec 24	31 Dec 23
Cash flows from operating activities		
Interest income received from customers	284.4	253.6
Fee and other income received from customers less cost of origination	34.8	30.3
Payment to suppliers and employees	(98.9)	(104.2)
Borrowing costs	(152.5)	(125.7)
Income taxes paid	(1.4)	(4.7)
Cash inflow from operating activities before movement in Loans and advances	**66.4**	**49.3**
Net credit loss	(39.2)	(37.2)
Proceeds from the sale of loan portfolios	495.1	-
Other net movement in loans and advances	(335.9)	(418.6)
Cash inflow/(outflow) from movement in Loans and advances	**120.0**	**(455.8)**
Net cash inflow/(outflow) from operating activities	**186.4**	**(406.5)**
Cash flows from investing activities		
Payment for purchase of plant and equipment and software	(11.3)	(7.5)
Net cash outflow from investing activities	**(11.3)**	**(7.5)**
Cash flows from financing activities		
Dividends paid	(12.2)	(7.0)
Purchase of treasury shares	-	(2.7)
Share buy back	-	(3.0)
Cash payments relating to lease liabilities	(1.9)	(1.8)
Repayment of corporate borrowings	-	(15.2)
Repayment of perpetual note	(25.0)	-
Net movement in secured borrowings	(118.3)	498.0
Net cash (outflow)/inflow from financing activities	**(157.4)**	**468.3**
Net increase in cash and cash equivalents	**17.7**	**54.3**
Cash and cash equivalents at the beginning of the period	281.2	336.1
Effects of exchange rate changes on cash and cash equivalents	0.2	0.2
Cash and cash equivalents at the end of the period	**299.1**	**390.6**

The above Consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The condensed interim consolidated financial statements for the half-year ended 31 December 2024 have been prepared in accordance with AASB134 *Interim Financial Reporting and the Corporations Act 2001*.

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements. As a result, they should be read in conjunction with the annual consolidated financial statements for the year ended 30 June 2024 and any public announcements made in the period by humm Group Limited ("the Group") in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the *ASX Listing Rules*.

Comparative information has been reclassified for any changes to presentation made in the current year.

(i) Standards and Interpretations issued by AASB effective in half-year:

There are no standards, amendments to standards or interpretations that are effective for the period beginning 1 July 2024 that have a material effect on the financial statements of the Group.

(ii) Standards and Interpretations issued by AASB but not yet adopted:

A number of new standards are effective for annual periods beginning after 1 July 2024 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements. These amendments had no impact on the interim financial statements of the Group.

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.

- *Presentation and Disclosure in Financial Statements (AASB18), effective 1 January 2027*
- *Financial Instruments (Amendments to AASB9), effective 1 January 2026*

(iii) Use of judgement, estimates and assumptions:

The preparation of condensed consolidated interim 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 expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 30 June 2024.

NOTE 2. SEGMENT INFORMATION

a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Board of Directors ("Board") that are used to make strategic decisions.

The financial information presented in the tables that follow has been prepared in accordance with Australian Accounting Standards with Statutory profit representing the profit or loss for the period attributable to shareholders of humm Group Limited. In addition to Statutory profit, Management and the Board also assess the business on a Cash profit basis.

This metric is calculated as Statutory profit adjusted for depreciation and amortisation (incl. amortisation of acquired intangible assets) and AASB9 provision movement. Actual credit losses remain in the Cash profit result. Operating losses of suspended products have been added back to the Cash profit result in the prior year, to ensure that the performance of continuing businesses are compared on a like for like basis.

The Directors consider the business from a product perspective and have identified four reportable segments:

- Commercial and Leasing (consisting of Australia and New Zealand Commercial Lending);
- Australia Cards (**humm**90, legacy Lombard and Once);
- New Zealand Cards (including Farmers, Q Card and Flight Centre Mastercard); and
- PosPP (a consolidation of **humm** Australia, **humm** Canada, Ireland FlexiFi, legacy FlexiRent Ireland, **humm** UK, legacy **humm** NZ, legacy **bundll** and legacy **humm**pro).

The Group operates in Australia, New Zealand, Ireland, UK and Canada. The operating segments are identified according to the nature of the products and services provided, with New Zealand Cards disclosed separately (based on its product offering) and Ireland included within PosPP.

b) Operating segments

The segment information provided to the Board for the reportable segments for the half-year ended 31 December 2024 is below:

For the half-year ended 31 December 2024

A$m	Commercial	PosPP	Cards NZ	Cards AU	Total
Net interest income	**51.2**	**27.3**	**34.8**	**17.3**	**130.6**
Net operating income	**65.3**	**36.5**	**37.4**	**23.1**	**162.3**
Credit impairment charge	(8.8)	(10.5)	(9.8)	(4.7)	(33.8)
Operating expenses	(17.5)	(34.9)	(18.2)	(14.5)	(85.1)
Depreciation and amortisation expenses	(1.3)	(1.8)	(3.9)	(1.5)	(8.5)
Statutory profit/(loss) before income tax	**37.7**	**(10.7)**	**5.5**	**2.4**	**34.9**
Income tax (expense)/benefit	(8.5)	2.5	(1.2)	(0.4)	(7.6)
Statutory profit/(loss) for the year	**29.2**	**(8.2)**	**4.3**	**2.0**	**27.3**
Total loans and advances at 31 December 2024	2,712.5	1,102.7	633.5	409.1	4,857.8
AASB9 provision					(117.4)
Net loans and advances per the Statement of financial position					**4,740.4**

For the half-year ended 31 December 2023

A$m	Commercial	PosPP	Cards NZ	Cards AU	Total
Net interest income	**45.2**	**23.5**	**33.8**	**20.2**	**122.7**
Net operating income	**54.5**	**32.7**	**37.3**	**28.1**	**152.6**
Credit impairment charge	(14.8)	(12.7)	(10.4)	(10.1)	(48.0)
Operating and other expenses	(20.7)	(43.3)	(18.4)	(15.0)	(97.4)
Depreciation and amortisation expenses	(1.7)	(1.7)	(5.7)	(1.7)	(10.8)
Impairment of right-of-use assets and other intangibles	–	(4.3)	(0.9)	–	(5.2)
Statutory profit/(loss) before income tax	**17.3**	**(29.3)**	**1.9**	**1.3**	**(8.8)**
Income tax (expense)/benefit	**(4.8)**	**8.5**	**(0.4)**	**(0.5)**	**2.8**
Statutory profit/(loss) for the year	**12.5**	**(20.8)**	**1.5**	**0.8**	**(6.0)**
Total loans and advances at 31 December 2023	**2,702.2**	**885.0**	**634.5**	**429.1**	**4,650.8**
AASB9 provision					**(83.2)**
Net loans and advances per the Statement of financial position					**4,567.6**

NOTE 3. FEE AND OTHER INCOME

For the half-year ended 31 December 2024

A$m	Half-year ended 31 Dec 24	Half-year ended 31 Dec 23
Account service fees	22.5	22.6
Transaction processing fees	9.4	11.9
Leasing related income	11.4	8.6
Other income[1]	7.4	0.8
Total fee and other income	**50.7**	**43.9**

1. Increase half on half relates to the new Forward Flow arrangement.

NOTE 4. EXPENSES

Operating and other expenses

A$m	Half-year ended 31 Dec 24	Half-year ended 31 Dec 23
Information technology and communication	16.8	16.3
Professional, consulting and servicing	6.0	8.0
Office, insurance and travel	6.4	8.3
Onerous contracts	–	4.0
Other	3.1	8.3
Total operating and other expenses	**32.3**	**44.9**

NOTE 5. LOANS AND ADVANCES

The table below presents the gross exposure of Loans and advances and related Expected Credit Loss ("ECL") allowance:

	As at 31 December 2024			As at 30 June 2024		
A$m	**Gross**	**ECL Allowance**	**Net**	**Gross**	**ECL Allowance**	**Net**
Finance lease receivables	67.3	(1.2)	66.1	70.2	(1.6)	68.6
Customer loans	2,130.5	(66.1)	2,064.4	2,001.5	(66.2)	1,935.3
Chattel loans	2,660.0	(50.1)	2,609.9	2,945.6	(55.0)	2,890.6
Loans and advances	**4,857.8**	**(117.4)**	**4,740.4**	**5,017.3**	**(122.8)**	**4,894.5**
Undrawn exposure on customer loans	-	(8.1)	(8.1)	-	(8.1)	(8.1)
Loans and advances less ECL allowance on undrawn exposure	**4,857.8**	**(125.5)**	**4,732.3**	**5,017.3**	**(130.9)**	**4,886.4**

Derecognition

On 4th October 2024, the Group settled the first tranche of our Forward Flow for a consideration of $495.1m and derecognised the financial assets together with the ECL of $7.9m associated with these financial assets in accordance with AASB9.

Loans and advances are derecognised when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantively all of the risks and rewards of ownership are transferred (e.g. a whole loan sale) or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control. Significant judgement is involved in assessing the Group's exposure to cashflow variability, before and after the transfer, particularly in relation to credit risk and prepayment risk from customers.

Upon derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received, and receivable is recognised as a gain or loss on the consolidated income statement.

Expected credit losses (ECL)

In addition, ECL provision decreased due to improvements in credit quality, partially offset by volume growth.

In Australia, macro-economic overlays remain unchanged from prior period to account for forward-looking losses driven by rising living costs and high interest rates over the past two years.

In New Zealand, macro-economic overlays are also held constant, as the economic growth remains slow following the recession, with the country currently in a recovering phase. Despite ongoing interest rate cuts, the impact on the provision is expected to lag by 6 to 12 months.

The Group's ECL measurement is derived from a probability weighted average of three distinct scenarios (central estimate, best case and worst case) applied across each of the Group's major loan portfolios. The probability of each scenario is determined by considering relevant macro-economic outlooks and their likely impact on the Group's credit portfolio. The key assumptions applied for this period are consistent with June 2024.

NOTE 6. GOODWILL AND OTHER INTANGIBLE ASSETS

The table below represents the movement in goodwill and other intangible assets:

A$m	Goodwill	IT development & software	Merchant & customer relationships	Brand name	Total
Balance as at 30 June 2024	**90.6**	**34.8**	**2.2**	**4.0**	**131.6**
Additions	–	11.3	–	–	11.3
Amortisation	–	(5.6)	(1.1)	–	(6.7)
Effect of movements in exchange rates	(1.3)	(0.1)	–	(0.1)	(1.5)
Balance as at 31 December 2024	**89.3**	**40.4**	**1.1**	**3.9**	**134.7**

NOTE 7. DIVIDENDS

A$m	Half-year ended 31 Dec 24	Half-year ended 31 Dec 23
Ordinary shares		
Dividends provided for or paid during the half-year		
Cash	5.9	3.3
Dividend reinvestment	0.3	1.8
Total dividends on ordinary shares	**6.2**	**5.1**
Preference shares		
Dividends provided for or paid during the half-year	**6.3**	**3.7**

On 18 February 2025, the Group declared an interim dividend of 1.25 cents per ordinary share for the half-year ended 31 December 2024.

The Group has discretion as to the timing of payment of interest on the perpetual notes. During the period, the Group accrued and paid $6.3m of the perpetual note interest, including amounts accrued up to 30 December 2024 when the $25.0m principal repayment was made.

NOTE 8. CONTRIBUTED EQUITY

a) Share capital

	31 Dec 24 # Shares	30 Jun 24 # Shares	31 Dec 24 A$m	30 Jun 24 A$m
Ordinary shares – excluding treasury shares	481,883,228	479,987,439	446.4	445.5
Subordinated perpetual notes	26,214,394	49,129,075	28.6	53.6
Total share capital	**508,097,622**	**529,116,514**	**475.0**	**499.1**

b) Movement in ordinary share capital

	Number of shares	$m
Balance at 1 July 2024 – fully paid	**491,371,345**	**451.8**
Issuance of shares under the dividend reinvestment plan	389,508	0.3
Balance at 31 December 2024 – fully paid	**491,760,853**	**452.1**
Treasury Shares	(9,877,625)	(5.7)
Balance excluding treasury shares at 31 December 2024	**481,883,228**	**446.4**

c) Movement in treasury shares

	Number of shares	$m
Balance at 1 July 2024	**11,383,906**	**6.3**
Vesting of treasury shares	(1,506,281)	(0.6)
Balance at 31 December 2024	**9,877,625**	**5.7**

d) Movement in subordinate perpetual notes

	Number of shares	$m
1 July 2024	49,129,075	53.6
Repayment of perpetual note	(22,914,681)	(25.0)
31 December 2024	**26,214,394**	**28.6**

Perpetual note

On 30 December 2024, the Group made a partial repayment of the perpetual note of $25.0m.

NOTE 9. RELATED PARTY TRANSACTIONS

No significant related party transaction during the half-year ended 31 December 2024.

NOTE 10. CONTINGENCIES

Forum Finance

Litigation in respect of the statement of claim lodged by SMBC in July 2022 in relation to Forum Finance is continuing to progress. An amended statement of claim was filed by SMBC in July 2023 relating to the 2020 agreement between SMBC and Forum Finance, to which **humm**group (and its related entities) was not a party. The matter is listed for hearing in the Federal Court in September 2025. **humm**group will continue to defend its position.

As at 31 December 2024 the provision remains consistent with June 2024.

Remediation and regulatory enforcement

The Group is exposed to contingent risks and liabilities arising from reviews, investigations, or inquiries (some of which may be industry wide) carried out internally or by regulatory authorities and where necessary, the Group undertakes remediation programs and reports such matters to the regulatory authorities. There is a risk that any regulatory investigation or inquiry may lead to penalties or other costs if determined by a regulator or by a court in any legal proceedings. Whilst the Group has provided for exposures related to known matters arising, due to the inherent complexity, uncertainty and ongoing nature of its business, outcomes and potential liability to the Group of these and any emerging matters remain uncertain.

Other than the matters outlined above, the Group does not have any further material contingent liabilities.

NOTE 11. BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised costs.

During the period, the Group established a $1.0bn Forward Flow program with the initial sale of $495.1m of commercial loans. In addition, an existing private placement was topped up with additional borrowing of $250.0m to support continued growth in the portfolio.

In the Consumer businesses, the Group issued a A$121.2m of additional notes under an existing private placement to support its Australian **humm** point of sale solar portfolio and publicly issued NZ $176.0m of notes under the New Zealand Cards master trust program.

Interest on borrowings is charged at wholesale funding costs being a benchmark interest rate (BBSW or equivalent) plus a margin.

A$m	Dec 24	Jun 24
Secured loans	4,528.2	4,646.1
Corporate debt	62.3	61.7
Total borrowings	**4,590.5**	**4,707.8**

NOTE 12. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value reflects the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted prices or rates are used to determine fair value where an active market exists. If the market for a financial instrument is not active, fair values are estimated using present value or other valuation techniques, using inputs based on market conditions prevailing on the measurement date. There were no transfers between levels for recurring fair value measurements during the period.

Fair value hierarchy

Financial instruments measured at fair value are categorised under a three-level hierarchy as outlined below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group has assessed its financial instruments recorded at fair value and are categorised as per below under fair value hierarchy.

The table below summarises the carrying amount and fair value of financial assets and financial liabilities held at amortised cost.

A$m	Carrying amount 31 Dec 24	Fair value 31 Dec 24	Carrying amount 30 Jun 24	Fair value 30 Jun 24	Level of Fair value hierarchy
Financial assets					
Loans and advances	4,740.4	4,750.2	4,894.5	4,905.0	**3**
Derivative financial instruments	6.3	6.3	30.9	30.9	**2**
Financial liabilities					
Borrowings (Floating interest rate)	4,590.5	4,613.5	4,707.8	4,739.7	**3**
Derivative financial instruments	15.9	15.9	–	–	**2**
Deferred consideration	4.0	4.0	4.0	4.0	**3**

Valuation technique

The following table shows the valuation techniques used in measuring fair values for financial instruments.

	Valuation technique
Loans and advances	The fair values are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the customers.
Borrowings	The fair value is estimated by discounting future contractual cash flows at the current market interest rate that is available to the Group.
Interest rate swaps	The fair value is estimated as the present value of the future cash flows. Cash flows are discounted using yield curves reflecting benchmark interbank rate used by market participants. The fair value is subject to a credit risk adjustment to reflect the credit risk of **humm** and that of the counterparty.

NOTE 13. EVENTS OCCURRING AFTER BALANCE SHEET DATE

Dividends

Dividends are determined after period-end and contained within the announcement of the results for the period. Interim dividends are determined in February and paid in April/May. Dividends determined are not recorded as a liability at the end of the period to which they relate. On 18 February 2025, the Group determined an interim ordinary dividend of 1.25 cents per share totalling $6.1m, which will be paid on 2 April 2025.

Other Matters

As at the date of this report the Directors are not aware of any matter or circumstances that has arisen since 31 December 2024 that has significantly affected, or may significantly affect:

- the Group's operation in future financial years, or
- the results of those operations in future financial years, or
- the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

In accordance with a resolution of Directors of humm Group Limited ABN 75 122 574 583, we state that:

In the opinion of the Directors:

a. the financial statements and notes of the Group are in accordance with the *Corporations Act 2001*, including:
   (i) complying with Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
   (ii) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and

b. there are reasonable grounds to believe that humm Group Limited ABN 75 122 574 583 will be able to pay its debts as and when they become due and payable.

On behalf of the Board of humm Group Limited ABN 75 122 574 583.

Andrew Abercrombie
Chairperson
18 February 2025

AUDITOR'S REVIEW REPORT

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with confidence

Independent auditor's review report to the members of Humm Group Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Humm Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

R.Balfour

Richard Balfour
Partner
Sydney

18 February 2025

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